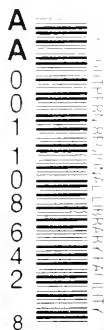


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WEBSTER

REMARKS





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REMARKS

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OF

**MR. WEBSTER,**

ON

**THE REMOVAL OF THE DEPOSITES,**

AND ON THE SUBJECT OF

**A NATIONAL BANK:**

DELIVERED

In the Senate of the United States,

JANUARY, 1834.

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WASHINGTON:

PRINTED BY GALES & SEATON.

1834.



## REMARKS.



On the 20th of January, Mr. WEBSTER presented the following resolutions passed at a meeting in Boston:

1. *Resolved*, As the sense of this meeting, that the business community of this city, vicinity, and Commonwealth, are in a high state of prosperity, independently of those embarrassments in the money market, consequent upon the deranged state of the financial and banking operations of the country.

2. *Resolved*, That all the great branches of industry throughout the Union have, for three years past, been in a highly prosperous condition, till within the period of a few months.

3. *Resolved*, That the products of agriculture have been unusually abundant the past year; that prices at home and abroad are higher than usual, and likely to be maintained under the ordinary circumstances of the money market.

4. *Resolved*, That the currency, issued by the banks of this State, inasmuch as their notes in circulation are not more than one-fourth of their capitals, and the securities for their loans being deemed good, is in sound condition.

5. *Resolved*, That the currency of the Union at large is also in a safe and sound state, and that any sudden and undue contraction of bank issues, which may have been lately made, has principally arisen, not from over-issues of paper, but from the disturbed state of our financial and money concerns, incident to the altered condition of the National Bank.

6. *Resolved*, That there is the usual quantity of specie in the country, and that foreign exchanges being greatly in our favor, there is no reason to apprehend any drain of the precious metals; but, on the contrary, we may naturally look for an influx of them.

7. *Resolved*, That the local banks now employed by Government, however well disposed to accommodate the public, cannot, with their small capitals, limited credit, and scattered resources, and, above all, their entire want of concert and unity of action, afford that aid to the agricultural classes in the transmission of their products, from the places of growth to the places of export and distribution, which they have heretofore received from the National Bank, but which is now, in part, necessarily withdrawn from them by that institution, in consequence of its change of position in regard to the Government.

8. *Resolved*, That the evils arising from the scarcity and high price in money fall with most severity on the industrious and middling classes of society, who are compelled to make sacrifices of property to provide for their daily payments, while the retired capitalists are not only exempt from such a loss, but derive a benefit from the increased value of money.

9. *Resolved*, That a continuance of the existing embarrassments in business, arising from the deranged state of our money concerns, will not only check the future operations of the farmer, merchant, manufacturer, and mechanic, and consequently lessen the employment and wages of the laborer, but will also prove extremely injurious to those great and useful internal improvements, which must soon be arrested in their progress, if the pressure on the money market is not relieved; and that all property now in existence will become depreciated to a degree that may prove utterly ruinous to a portion of the most enterprising and useful members of the community.

10. *Resolved*, That the amount of currency necessary to effect the ordinary payments in business, though utterly insignificant compared with the wealth of the nation, yet when viewed as the measure of value of every species of property, as the basis of all contracts, and the medium by which the constant interchanges of property are made, must be considered of immense importance; and that any sudden and undue expansion or contraction of the amount required for the ordinary wants of the country, from

whatever causes it may proceed, will necessarily tend to the most calamitous results.

11. *Resolved*, That the existing embarrassments and panic among all classes of the business community, and which threaten, if not soon remedied, the most serious evils, may be attributed, first, to a spirit of speculation and over-trading—the usual effects of long continued prosperity; and secondly, to the transferring the collection of the national revenue from the National Bank to the State banks, and thereby paralyzing, in some degree, the action of that institution, by whose large capital, solid credit, and extensive resources, the business operations of the whole country have been sustained and promoted.

12. *Resolved*, That, in the opinion of this meeting, a restoration of the National Bank to the relation in which it stood to the Government prior to the removal of the deposits, and allowing the public moneys already in possession of the local banks to remain there, till required by the Government, would, in a great measure, relieve the country from the embarrassments, arising from a scarcity and derangement of currency; and, above all, allay that distrust, agitation, and alarm, which is more difficult to overcome, and more dangerous in its tendencies if not overcome, than the actual inconveniences and losses usually incident to an insufficient or deranged currency.

13. *Resolved*, That, whatever course may be adopted by Congress, in relation to matters now in dispute between the Government and the National Bank, it is of vital importance to the great interests of the nation that there should be a prompt decision, so necessary for the re-establishment of that confidence, throughout the whole country, which has been greatly impaired by the uncertain and unsettled state of our financial and money concerns.

14. *Resolved*, That the foregoing resolutions have no relation to any party or political purposes, beyond the direct object manifest on the face of them; that the meeting comprises persons of all classes and professions, entertaining various and opposite opinions upon the question of re-chartering the existing National Bank, or of chartering a new one in lieu of it; that few of them have any pecuniary interest involved in the fate of that institution; that they have met together, on this occasion, as citizens, having one common end in view, and with no other purpose or desire than to aid in the re-establishment of that credit and confidence among all classes, so essential to our present safety and our future prosperity.

15. *Resolved*, That a copy of the foregoing resolutions be transmitted, by the Chairman of this meeting, to each of the Senators and Representatives of this State in Congress, as expressive of the opinions and feelings of a portion of their constituents upon the important matters therein referred to; and earnestly requesting them to use their best exertions to effect the objects which this meeting has in view; and that they also be requested to lay a copy of the same before both branches of our National Legislature.

16. *Resolved*, That a committee, consisting of Henry Lee, George Bond, Jonas B. Brown, Henry F. Baker, James T. Austin, George Darracott, and Charles Wells, be appointed to take such other measures, in furtherance of the objects of this meeting, as they shall deem proper and expedient.

CHARLES WELLS, *Chairman*.

HENRY F. BAKER, }  
BENJAMIN T. REED, } *Secretaries*.

The resolutions having been read by the Secretary of the Senate,

Mr. WEBSTER said, he wished to bear unequivocal and decided testimony to the respectability, intelligence, and disinterestedness of the long list of gentlemen, at whose instance this meeting was assembled. The meeting, said Mr. W., was connected with no party purpose whatever. It had an object more sober, more cogent, more interesting to the whole community, than mere party questions. The Senate will perceive, in the tone of these resolutions, no intent to exaggerate or inflame; no disposition to get up excitement or to spread alarm. I hope the restrained and serious manner, the moderation of temper, and the exemplary candor, of these resolutions, in connexion with the plain truths which they contain, will give them just weight with the Senate. I assure you, sir, the members composing this meeting were neither

capitalists, nor speculators, nor alarmists. They are merchants, traders, mechanics, artisans, and others engaged in the active business of life. They are of the muscular portion of society; and they desire to lay before Congress an evil, which they feel to press sorely on their occupations, their earnings, their labor, and their property; and to express their conscientious conviction of the causes of that evil. If intelligence, if pure intention, if deep and widespread connexion with business in its various branches, if thorough practical knowledge and experience, if inseparable union between their own prosperity and the prosperity of the whole country, authorize men to speak, and give them a right to be heard, the sentiments of this meeting ought to make an impression. For one, sir, I entirely concur in all their opinions. I adopt their first fourteen resolutions, without alteration or qualification, as setting forth truly the present state of things, stating truly its causes, and pointing to the true remedy.

Mr. President, now that I am speaking, I will use the opportunity to say a few words which I intended to say in the course of the morning, on the coming up of the resolution which now lies on the table; but which are as applicable to this occasion as to that.

An opportunity may, perhaps, be hereafter afforded me of discussing the reasons given by the Secretary for the very important measure adopted by him, in removing the deposits. But as I know not how near that time may be, I desire, in the mean while, to make my opinions known, without reserve, on the present state of the country. Without intending to discuss any thing at present, I feel it my duty, nevertheless, to let my sentiments and my convictions be understood. In the first place, then, sir, I agree with those who think that there is a severe pressure in the money market, and very serious embarrassment felt in all branches of the national industry. I think this is not local, but general—general, at least, over every part of the country where the cause has yet begun to operate, and sure to become not only general, but universal, as the operation of the cause shall spread. If evidence be wanted, in addition to all that is told us by those who know, the high rate of interest, now at 12 per cent. or higher, where it was hardly 6 last September; the depression of all stocks, some ten, some twenty, some thirty per cent.; and the low prices of commodities, are proofs abundantly sufficient to show the existence of the pressure. But, sir, labor, that most extensive of all interests—American manual labor—feels, or will feel, the shock more sensibly, far more sensibly, than capital or property of any kind. Public works have stopped, or must stop; great private undertakings, employing many hands, have ceased, and others must cease. A great lowering of the rates of wages, as well as a depreciation of property, is the inevitable consequence of causes now in full operation. Serious embarrassments in all branches of business do certainly exist.

I am of opinion, therefore, that there is, undoubtedly, a very severe pressure on the community, which Congress ought to relieve if it can; and that this pressure is not an instance of the ordinary re-action, or the ebbing and flowing of commercial affairs; but is an extraordinary case, produced by an extraordinary cause.

In the next place, sir, I agree entirely with the 11th Boston resolution, as to the causes of this embarrassment. We were in a state of high prosperity, commercial and agricultural. Every branch of business, was pushed far, and the credit as well as the capital of the country employed to near its utmost limits. In this state of things, some degree of overtrading

doubtless took place, which, however, if nothing else had occurred, would have been seasonably corrected by the ordinary and necessary operation of things. But, on this palmy state of things, the late measure of the Secretary fell, and has acted on it with powerful and lamentable effect.

And I think, sir, that such a cause is entirely adequate to produce the effect, that it is wholly natural, and that it ought to have been foreseen that it would produce exactly such consequences. Those must have looked at the surface of things only, as it seems to me, who thought otherwise, and who expected that such an operation could be gone through with, without producing a very serious shock.

The Treasury, in a very short time, has withdrawn from the Bank 8,000,000 dollars, within a fraction. This call, of course, the Bank has been obliged to provide for, and could not provide for without more or less inconvenience to the public. The mere withdrawing of so large a sum from hands actually holding and using it, and the transferring of it, through the bank collecting, and through another bank loaning it, if it can loan it, into other hands, is itself an operation which, if conducted suddenly, must produce considerable inconvenience. And this is all that the Secretary seems to have anticipated. But this is not the one-hundredth part of the whole evil. The great evil arises from the new attitude in which the Government places itself towards the Bank. Every thing is now in a false position. The Government, the Bank of the United States, the State banks, are all out of place. They are deranged and separated, and jostling against each other. Instead of amity, reliance, and mutual succor, relations of jealousy, of distrust, of hostility even, are springing up between these parties. All act on the defensive; each looks out for itself; and the public interest is crushed between the upper and the nether millstone. All this should have been foreseen. It is idle to say that these evils might have been prevented by the Bank, if it had exerted itself to prevent them. That is a mere matter of opinion; it may be true, or it may not; but it was the business of those who proposed the removal of the deposits, to ask themselves how it was probable the Bank would act, when they should attack it, assail its credit, and allege the violation by it of its charter; and thus compel it to take an attitude, at least, of stern defence. The community have certainly a right to hold those answerable, who have unnecessarily got into this quarrel with the Bank, and thereby occasioned the evil, let the conduct of the Bank, in the course of the controversy, be what it may.

In my opinion, sir, the great source of the evil is the shock which the measure has given to *confidence* in the commercial world. The credit of the whole system of the currency of the country seems shaken. The State banks have lost credit, and lost confidence. They have suffered vastly more than the Bank of the United States itself, at which the blow was aimed.

The derangement of internal exchanges is one of the most disastrous consequences of the measure. By the origin of its charter, by its unquestioned solidity, by the fact that it was *at home every where*, and in perfect credit every where, the Bank of the United States accomplished the internal exchanges of the country with vast facility, and at an unprecedented cheap rate. The State banks can never perform this equally well; for the reason given in the Boston resolutions, they cannot act with the same concert, the same identity of purpose. Look at the prices current, and see the change in the value of the notes of distant banks in the great cities. Look at the depression of the stocks of the State banks, deposit banks and all. Look



at what must happen the moment the Bank of the United States, in its process of winding up, or to meet any other crisis, shall cease to buy domestic bills, especially in the Southern, Southwestern, and Western markets. Can any man doubt what will be the state of exchange when that takes place? Or can any one doubt its necessary effect on the price of produce? The Bank has purchased bills to the amount of sixty millions a year, as appears by documents heretofore laid before the Senate. A great portion of these, no doubt, was purchased in the South and West, against shipments of the great staples of those quarters of the country. Such is the course of trade. The produce of the Southwest and the South is shipped to the North and the East for sale; and those who ship it draw bills on those to whom it is shipped; and these bills are bought and discounted, or cashed by the Bank. When the Bank shall cease to buy, as it must cease, consequences cannot but be felt, much severer even than those now experienced. This is inevitable. But, sir, I go no further into particular statements. My opinion, I repeat, is, that the present distress is immediately occasioned, beyond all doubt, by the removal of the deposits; and that just such consequences might have been, and ought to have been, foreseen from that measure, as we do now perceive and feel around us.

Sir, I do not believe, nevertheless, that these consequences were foreseen. With such foresight, the deposits, I think, would not have been touched. The measure has operated more deeply and more widely than was expected. We all may find proof of this, in the conversations of every hour. No one, who seeks to acquaint himself with the opinions of men, in and out of Congress, can doubt that, if the act were now to be done, it would receive very little encouragement or support.

Being of opinion that the removal of the deposits has produced the pressure, as its immediate effect, not so much by withdrawing a large sum of money from circulation, as by alarming the confidence of the community, by breaking in on the well-adjusted relations of the Government and the Bank, I agree again with the Boston resolutions, that the natural remedy is a restoration of the relation in which the Bank has heretofore stood to Government.

I agree, sir, that this question ought to be settled, and to be settled soon. And yet, if it be decided that the present state of things shall exist—if it be the determination of Congress to do nothing in order to put an end to the unnatural, distrustful, half belligerent, present condition of the Government and the Bank, I do not look for any great relief to the community, or any early quieting of the public agitation. On the contrary, I expect increased difficulty and increased disquiet.

The public moneys are now out of the Bank of the United States. There is no law regulating their custody, or fixing their place. They are at the disposal of the Secretary of the Treasury, to be kept where he pleases, as he pleases, and the places of their custody to be changed as often as he pleases.

Now, sir, I do not think this is a state of things in which the country is likely to acquiesce.

Mr. President, the restoration of the deposits is a question distinct and by itself. It does not necessarily involve any other question. It stands clear of all controversy and all opinion about re-chartering the Bank, or creating any new Bank.

But I wish, nevertheless, sir, to say a few words of a bearing somewhat beyond that question. Being of opinion that the country is not likely to be satisfied with the present state of things, I have looked earnestly for the suggestion of some prospective measure—some system to be adopted as the future policy of the country. Where are the public moneys hereafter to be kept? In what currency is the revenue hereafter to be collected? What is to take the place of the Bank in our general system? How are we to preserve a uniform currency, a uniform measure of the value of property and the value of labor, a uniform medium of exchange and of payments? How are we to exercise that salutary control over the national currency, which it was the unquestionable purpose of the constitution to devolve on Congress?

These, sir, appear to me to be the momentous questions before us, and which we cannot long keep out of view. In these questions every man in the community, who either has a dollar, or expects to earn one, has a direct interest.

Now, sir, I have heard but four suggestions, or opinions, as to what may hereafter be expected or attempted.

The first is, that things will remain as they are—the Bank be suffered to expire, no new Bank created, and the whole subject left under the control of the Executive Department.

I have already said that I do not believe the country will ever acquiesce in this.

The second suggestion is that which was made by the honorable member from Virginia, [Mr. RIVES.] That honorable member pledges himself to bring forward a proposition, having for its object to do away with the paper system altogether, and to return to an entire metallic currency.

I do not expect, sir, that the honorable member will find much support in such an undertaking. A mere gold and silver currency, and the entire abolition of paper, is not suited to the times. The idea has something a little too antique, too Spartan in it; we might as well think of going to iron at once. If such a result as the gentleman hopes for were even desirable, I regard its attainment as utterly impracticable and hopeless. I lay that scheme, therefore, out of my contemplation.

There is, then, sir, the rechartering of the present Bank; and, lastly, there is the establishment of a new Bank. The first of these received the sanction of the last Congress, but the measure was negatived by the President. The other, the creation of a new bank, has not been brought forward in Congress, but it has excited attention out of doors, and has been proposed in some of the State Legislatures. I observe, sir, that a proposition has been submitted for consideration, by a very intelligent gentleman in the Legislature of Massachusetts, recommending the establishment of a new bank, with the following provisions:

- "1. The capital stock to be fifty millions of dollars.
- "2. The stockholders of the present United States Bank to be permitted to subscribe an amount equal to the stock they now hold.
- "3. The United States to be stockholders to the same extent they now are, and to appoint the same number of directors.
- "4. The subscription to the remaining fifteen millions to be distributed to the several States in proportion to federal numbers, or in some other just and equal ratio; the instalments payable either in cash or in funded stock of the State, bearing interest at five per cent.

"5. No branch of the bank to be established in any State, unless by permission of its Legislature.

"6. The branches of the bank established in the several States to be liable to taxation by those States, respectively, in the same manner, and to the same extent only with their own banks.

"7. Such States as may become subscribers to the stock, to have the right of appointing a certain number, not exceeding one-third, of the directors in the branch of their own State.

"8. Stock not subscribed for under the foregoing provisions, to be open to subscription by individual citizens."

A project, not altogether dissimilar, has been started in the Legislature of Pennsylvania. These proceedings show, at least, a conviction of the necessity of some bank created by Congress. Mr. President, on this subject I have no doubt whatever. I think a national bank proper and necessary. I believe it to be the only practicable remedy for the evils we feel, and the only effectual security against the greater evils which we fear. Not, sir, that there is any magic in the name of a bank; nor that a national bank works by any miracle or mystery. But looking to the state of things actually existing around us—looking to the great number of State banks already created, not less than three hundred and fifty, or four hundred—looking to the vast amount of paper issued by those banks, and considering that, in the very nature of things, this paper must be limited and local in its credit and in its circulation, I confess I see nothing but a well-conducted national institution which is likely to afford any guard against excessive paper issues, or which can furnish a sound and uniform currency to every part of the United States. This, sir, is not only a question of finance, it not only respects the operations of the Treasury, but it rises to the character of a high political question. It respects the currency, the actual money, the measure of value of all property and all labor in the United States. If we needed not a dollar of money in the Treasury, it would still be our solemn and bounden duty to protect this great interest. It respects the exercise of one of the greatest powers, beyond all doubt, conferred on Congress by the constitution. And I hardly know any thing less consistent with our public duty, and our high trust, nor any thing more likely to disturb the harmonious relations of the States, in all affairs of business and life, than for Congress to abandon all care and control over the currency, and to throw the whole money system of the country into the hands of four-and-twenty State Legislatures.

I am, then, sir, for a bank; and am fully persuaded that to that measure the country must come at last.

The question, then, is between the creation of a new Bank, and the rechartering of the present Bank, *with modifications*. I have already referred to the scheme for a new bank, proposed to the Legislature of Massachusetts, by Mr. White. Between such a new bank as his propositions would create, and a rechartering of the present Bank, *with modifications*, there is no very wide, certainly no irreconcilable difference. We cannot, however, create another Bank before March, 1836. This is one reason for preferring a continuance of the present. And, treating the subject as a practical question, and looking to the state of opinion, and to the probability of success, in either attempt, I incline to the opinion that the true course of policy is to propose a recharter of the present Bank, *with modifications*.

As to what these modifications should be, I would only now observe, that

while it may well be inferred, from my known sentiments, that I should not myself deem any alterations in the charter, beyond those proposed by the bill of 1832, highly essential, yet it is a case in which, I am aware, nothing can be effected for the good of the country, without making some approaches to unity of opinion. I think, therefore, that, in the hope of accomplishing an object of so much importance, liberal concessions should be made. I lay out of the case all consideration of any especial claim, or any legal right, of the present stockholders to a renewal of their charter. No such right can be pretended; doubtless none such is pretended. The stockholders must stand like other individuals, and their interest regarded so far, and so far only, as may be judged for the public good. Modifications of the present charter should, I think, be proposed, such as may remove all reasonable grounds of jealousy, in all quarters, whether in States, in other institutions, or in individuals; such, too, as may tend to reconcile the interests of the great city where the Bank is, with those of another great city; and, in short, the question should be met with a sincere disposition to accomplish, by united and friendly counsels, a measure which shall allay fears, and promote confidence, at the same time that it secures to the country a sound, creditable, uniform currency, and to the Government a safe deposite for the public treasure, and an important auxiliary in its financial operations.

I repeat, then, sir, that I am in favor of renewing the charter of the present Bank, *with such alterations as may be expected to meet the general sense of the country.*

And now, Mr. President, to avoid all unfounded inferences, I wish to say, that these suggestions are to be regarded as wholly my own. They are made without the knowledge of the Bank, and with no understanding or concert with any of its friends. I have not understood, indeed, that the Bank itself proposes to apply, at present, for a renewal of its charter. Whether it does so or not, my suggestions are connected with no such or any other purpose of the Bank. I take up the subject on public grounds, purely and exclusively.

And, sir, in order to repel all inferences of another sort, I wish to state, with equal distinctness, that I do not undertake to speak the sentiments of any individual, heretofore opposed to the Bank, or belonging to that class of public men who have generally opposed it. I state my own opinion; if others should concur in them, it will be only because they approve them, and will not be the result of any previous concert or understanding whatever.

Finally, Mr. President, having stated my own opinions, I respectfully ask those who propose to continue the discussion now going on, relative to the depositories, *to let the country see their plan for the final settlement of the present difficulties.* If they are against the Bank, and against all banks, *what do they propose?* That the country will not be satisfied with the present state of things, seems to me certain. *What state of things is to succeed it?* To these questions, I desire to call, earnestly, the attention of the Senate and of the country. The occasion is critical, the interests at stake momentous, and, in my judgment, Congress ought not to adjourn till it shall have passed some law suitable to the exigency, and satisfactory to the country.

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On the 30th day of January, Mr. WRIGHT, of New York, presented to the Senate sundry resolutions, passed by the Legislature of New York, approving the removal of the depositories, and disapproving of any Bank of the United States.

In presenting these resolutions, Mr. WRIGHT, among other observations, expressed his decided hostility to the renewal of the charter of the present Bank, or the creation of any other; that he would oppose this Bank upon the ground of its flagrant violations of the high trusts confided to it, but that his objections were of a still deeper and graver character; that he went against this Bank, and against any and every bank to be incorporated by Congress, to be located any where within the twenty-four States.

He expressed a strong opinion, too, that the existing distress arose from the conduct of the Bank in curtailing its loans; and that this curtailment had been made with a view to extort a renewal of its charter from the fears of the people.

As to *what was to be done* under present circumstances, in order to relieve the public pressure, Mr. WRIGHT said, that, speaking for himself only, he would sustain the executive branch of the Government, by all the legal means in his power, in the effort now making to substitute the State banks, instead of the Bank of the United States, as the fiscal agent of the Government.

When Mr. WRIGHT had concluded his remarks, Mr. WEBSTER said,

MR. PRESIDENT: I cannot consent to let the opportunity pass, without a few observations upon what we have now heard. Sir, the remarks of the honorable member from New York are full of the most portentous import. They are words, not of cheering or consolation, but of ill-boding signification; and, as they spread far and wide, in their progress from the capital through the country, they will carry with them, if I mistake not, gloom, apprehension, and dismay. I consider the declarations which the honorable member has now made as expressing the settled purpose of the administration on the great question which so much agitates the country.

[Here Mr. WRIGHT rose, and said that he had given his opinion as an individual, and that he had no authority to speak for the administration.]

Mr. WEBSTER continued. I perfectly well understand, sir, all the gentleman's disclaimers and demurrers. He speaks, to be sure, in his own name only; but, from his political connexions, his station, and his relations, I know full well that he has not, on this occasion, spoken one word which has not been deliberately weighed and considered, by others as well as himself.

He has announced, therefore, to the country two things clearly and intelligibly:

First, that the present system (if system it is to be called) is to remain unaltered. The public moneys are to remain as they now are, in the State banks, and the whole public revenue is hereafter to be collected through the agency of such banks. This is the first point. The gentleman has declared his full and fixed intention to support the administration in this course, and therefore it cannot be doubted that this course has been determined on by the administration. No plan is to be laid before Congress; no system is to be adopted by authority of law. The effect of a law would be to place the public deposits beyond the power of daily change, and beyond the absolute control of the Executive. But no such fixed arrangement is to take place. The whole is to be left completely at the pleasure of the Secretary of the Treasury, who may change the public moneys from place to place, and from bank to bank, as often as he pleases.

The second thing now clearly made known, and of which, indeed, there have been many previous intimations, is, sir, that a great effort is to be made, or

rather an effort already made is to be vigorously renewed and continued, to turn the public complaints against the Bank instead of the Government, and to persuade the people that all their sufferings arise, not from the act of the administration in interfering with the public deposits, but from the conduct of the Bank since that was done. It is to be asserted here, and will be the topic of declamation every where, that, notwithstanding the removal of the deposits, if the Bank had not acted wrong, there would have been no pressure or distress on the country. The object, it is evident, will now be to divert public attention from the conduct of the Secretary, and fix it on that of the Bank. This is the second thing which is to be learned from the speech of the member from New York.

The honorable member has said that new honors are to be gained by the President, from the act which he is about to accomplish; that he is to bring back legislation to its original limits, and to establish the great truth that Congress has no power to create a national bank.

I shall not stop to argue whether Congress can charter a bank in this little District, which shall operate every where throughout the Union, and yet cannot establish one in any of the States. The gentleman seemed to leave that point, as if Congress had such a power. But all must see that if Congress cannot establish a bank in one of the States, with branches in the rest, it would be mere evasion to say that it might establish a bank here, with branches in the several States.

Congress, it is alleged, has not the constitutional power to create a bank! Sir, on what does this power rest, in the opinion of those of us who maintain it? Simply on this: that it is a power which is necessary and proper for the purpose of carrying other powers into effect. A fiscal agent—an auxiliary to the Treasury—a machine—a something, is necessary for the purposes of the Government; and Congress, under the general authority conferred upon it, can create that fiscal agent—that machine—that something—and call it a bank. This is what I contend for; but this the gentleman denies, and says that it is not competent to Congress to create a fiscal agent for itself, but that it may employ, as such agents, institutions not created by itself, but by others, and which are beyond the control of Congress. It is admitted that the agent is necessary, and that Congress has the power to employ it; but it is insisted, nevertheless, that Congress cannot create it, but must take such as is or may be already created. I do not agree to the soundness of this reasoning. Suppose there were no State banks; in that case, as the gentleman admits the necessity of a bank, how can he hold such discordant opinions as to assert that Congress could not, in that case, create one? The agency of a bank is necessary; and, because it is necessary, we may use it, provided others will make a bank for us; but, if they will not, we cannot make one for ourselves, however necessary. This is the proposition.

For myself, I must confess that I am too obtuse to see the distinction between the power of creating a bank for the use of the Government, and the power of taking into its use banks already created. To make and to use, or to make and to hire, must require the same power, in this case, and be either both constitutional, or both equally unconstitutional; except that every consideration of propriety, and expediency, and convenience, requires that Congress should make a bank which will suit its own purposes, answer its own ends, and be subject to its own control, rather than use other banks, which were not created for any such purpose, are not suited to it, and over which Congress can exercise no supervision.

On one or two other points, sir, I wish to say a word. The gentleman differs from me as to the degree of pressure on the country. He admits that in some parts there is some degree of pressure; in large cities he supposes there may be distress; but asserts that every where else the pressure is limited; that every where it is greatly exaggerated; and that it will soon be over. This is mere matter of opinion. It is capable of no precise and absolute proof or disproof. The avenues of knowledge are equally open to all. But I can truly say that I differ from the gentleman on this point most materially and most widely. From the information I have received during the last few weeks, I have every reason to believe that the pressure is very severe, has become very general, and is fast increasing; and I see no chance of its diminution, unless measures of relief shall be adopted by the Government.

But the gentleman has discovered, or thinks he has discovered, motives for the complaints which arise on all sides. It is all but an attempt to bring the administration into disfavor. This alone is the cause that the removal of the deposits is so strongly censured! Sir, the gentleman is mistaken. He does not—at least I think he does not—rightly interpret the signs of the times. The cause of complaint is much deeper and stronger than any mere desire to produce political effect. The gentleman must be aware that, notwithstanding the great vote by which the New York resolutions were carried, and the support given by other proceedings to the removal of the deposits, there are many as ardent friends of the President as are to be found any where, who exceedingly regret and deplore the measure. Sir, on this floor there has been going on, for many weeks, as interesting a debate as has been witnessed for twenty years; and yet I have not heard, among all who have supported the administration, a single Senator say that he approved the removal of the deposits, or was glad it had taken place, until the gentleman from New York spoke. I saw the gentleman from Georgia approach that point, but he shunned direct contact. He complained much of the Bank; he insisted, too, on the power of removal; but I did not hear him say he thought it a wise act. The gentleman from Virginia, [Mr. RIVES,] not now in his seat, also defended the power, and has arraigned the Bank; but has he said that he approved the measure of removal? I have not met with twenty individuals, in or out of Congress, who have expressed an approval of it, among the many hundreds whose opinions I have heard—not twenty who have maintained that it was a wise proceeding; but I have heard individuals of ample fortune declare, nevertheless, that since it was done, they would sacrifice all they possessed rather than not support it, although they wholly disapproved of it. Such is the warmth of party zeal.

Sir, it is a mistake to suppose that the present agitation of the country springs from mere party motives. It is a great mistake. Every body is not a politician. The mind of every man in the country is not occupied with the project of subverting one administration, and setting up another. The gentleman has done great injustice to the people. I know, sir, that great injustice has been done to the memorialists from Boston, whose resolutions I presented some days since, some of whom are very ardent friends of the President, and can have been influenced by no such motive as has been attributed to them.

But, Mr. President, I think I heard yesterday something from the gentleman from Pennsylvania, indicative of an intention to direct the hostility of the country against the Bank, and to ascribe to the Bank, and the Bank alone, the public distress. It was the duty of the Government to have fore-

seen the consequences of the removal of the deposits; and gentlemen have no right first to attack the Bank, charge it with great offences, and thus attempt to shake its credit, and then complain, when the Bank undertakes to defend itself, and to avoid the great risk which must threaten it from the hostility of the Government to its property and character. The Government has placed itself in an extraordinary position, both to the Bank and to the country, by the removal of the deposits: and also to the currency of the country. The bills of the Bank are lawful currency in all payments to Government; yet we see the Executive warring on the credit of this national currency. We have seen the institution assailed, which, by law, was provided to supply the revenue. Is not this a new course? Does the recollection of the gentleman furnish any such instance? What other institution could stand against such hostility? The Bank of England could not stand against it a single hour. The Bank of France would perish at the first breath of such hostility. But the Bank of the United States has sustained its credit under every disadvantage, and has ample means to sustain it to the end. Its credit is in no degree shaken, though its operations are necessarily curtailed. What has the Bank done? The gentleman from New York and the gentleman from Pennsylvania have alleged that it is not because of the removal of the deposits that there is pressure in the country, but because of the conduct of the Bank. The latter gentleman, especially, alleges that the Bank began to curtail its discounts before the removal of the deposits, and at a time when it was only *expected* that they would be removed. Indeed! and did not the Bank, by taking this course, prove that it foresaw correctly what was to take place? and, because it adopted a course of preparation, in order to break the blow which was about to fall upon it, this also is to be added to the grave catalogue of its offences. The Bank, it seems, has curtailed to the amount of nine millions. Has she, indeed? And is not that exactly the amount of deposits which the Government has withdrawn? The Bank, then, has curtailed precisely so much as the Government has drawn away from it. No other Bank in the world could have gone on with so small a curtailment. While public confidence was diminishing all around the Bank, it only curtailed just as much as it lost by the act of the Government. The Bank would be justified, even without the withdrawal of the deposits, in curtailing its discounts gradually, and continuing to do so to the end of its charter, considering the hostility manifested to its further continuance. The Government has refused to recharter it. Its term of existence is approaching; one of the duties which it has to perform is to make its collections; and the process of collection, since it must be slow, ought to be commenced in season. It is, therefore, its duty to begin its curtailments, so as that the process may be gradual.

I hope that I have not been misunderstood in my remarks the other morning. The gentleman from New York has represented me as saying that it is not the removal of the deposits which has caused the public distress. What I said was, that, if the Government had required twice nine millions for its service, the withdrawal of that amount from the Bank, without any interruption of the good understanding between the Government and the Bank, would not have caused this pressure and distrust. Every thing turns on the circumstances under which the withdrawal is made. If public confidence is not shaken, all is well; but, if it is, all—all is difficulty and distress. And this confidence is shaken.

It has been said by the gentleman from New York, that Government has



no design against the Bank; that it only desires to withdraw the public deposits. Yet, in the very paper submitted to Congress by the Executive Department, the Bank is arraigned as unconstitutional in its very origin, and also as having broken its charter, and violated its obligations—and its very existence is said to be dangerous to the country! Is not all this calculated to injure the character of the Bank and to shake confidence? The Bank has its foreign connexions, and is much engaged in the business of foreign exchanges; and what will be thought at Paris and London, when the community there shall see all these charges made by the Government against a Bank, in which they have always reposed the highest trust? Does not this injure its reputation? Does it not compel it to take a defensive attitude? The gentleman from New York spoke of the power in the country to put down the Bank, and of doing as our fathers did in the time of the revolution; and has called on the people to rise and put down this money power, as our ancestors put down the oppressive rule of Great Britain! All this is well calculated to produce the effect which is intended; and all this, too, helps further to shake confidence—it all injures the Bank—it all compels it to curtail more and more.

Sir, I venture to predict that the longer gentlemen pursue the experiment which they have devised, of collecting the public revenue by State banks, the more perfectly will they be satisfied that it cannot succeed. The gentleman has suffered himself to be led away by false analogies. He says, that when the present Bank expires, there will be the same laws as existed when the old Bank expired. Now, would it not be the inference of every wise man, that there will also be the same inconveniences as were then felt? It would be useful to remember the state of things which existed when the first Bank was created, in 1791; and that a high degree of convenience, which amounted to political necessity, compelled Congress thus early to create a national bank. Its charter expired in 1811, and the war came on the next year. The State banks immediately stopped payment; and, before the war had continued twelve months, there was a proposition for another United States Bank; and this proposal was renewed from year to year, and from session to session. Who supported this proposition? The very individuals who had opposed the former Bank, and who had now become convinced of the indispensable necessity of such an institution. It has been verified, by experience, that the Bank is as necessary in time of peace as in time of war; and perhaps more necessary, for the purpose of facilitating the commercial operations of the country, and collecting the revenue, and sustaining the currency. It has been alleged, that we are to be left in the same condition as when the old Bank expired, and, of course, we are to be subjected to the same inconveniences. Sir, why should we thus suffer all experience to be lost upon us? For the convenience of the Government and of the country there must be some bank, (at least I think so;) and I should wish to hear the views of the administration as to this point.

The notes and bills of the Bank of the United States have heretofore been circulated every where—they meet the wants of every one—they have furnished a safe and most convenient currency. It is impossible for Congress to enact a certain value on the paper of the State banks. They may say that these banks are entitled to credit; but they cannot legislate them into the good opinion and faith of the public. Credit is a thing which must take its own course. It can never happen that the New York notes will be at par value in Louisiana, or that the notes of the Louisiana banks will be at par value in New York. In the notes of the United States Bank we have a currency of equal value every where; and I say that there is not to be found, in the whole world,

another institution whose notes spread so far and wide, with perfect credit in all places. There is no instance of a bank, whose paper is spread over so vast a surface of country, and is every where of such equal value. How can it be, that a number of State banks, scattered over two thousand miles of country, subject to twenty-four different State Legislatures and State tribunals, without the possibility of any general concert of action, can supply the place of one general bank? It cannot be. I see, sir, in the doctrines which have been advanced to-day, only new distress and disaster, new insecurity, and more danger to property than the country has experienced for many years; because it is in vain to attempt to uphold the occupations of industry, unless property is made secure; or of the value of labor, unless its recompense is safe. But an opportunity will occur for resuming this subject hereafter. I forbear from it for the present.

A word or two on one other point. It was said by me, on a former day, that this immediate question of the deposits does not necessarily draw after it the question of rechartering the Bank of the United States. It leaves that question for future adjustment. But the present question involves high political considerations, which I am not now about to discuss. If the question of the removal of the deposits be not now taken into view, gentlemen will be bound to vote on the resolutions of the Senator from Kentucky, as to the power which has been claimed and exercised. The question, then, is not as to the renewing of the charter of the Bank. But I repeat, that, however gentlemen may flatter themselves, if it be not settled that the deposits are to be restored, nothing will be settled; negative resolutions will not tranquillize the country and give it repose. The question is before the country—all agree that it must be settled by that country. I very much regret that topics are mixed up with the question, which may prevent it from being submitted to the calm judgment of the people. Yet, I have not lost faith in public sentiment. Events are occurring, daily, which will make the people think for themselves. The industrious, the enterprising, will see the danger which surrounds them, and will awake. If the majority of the people shall then say there is no necessity for a continuance of this sound and universal currency, I will acquiesce in their judgment, because I can do no otherwise than to acquiesce. If the gentleman from New York is right in his reading of the prognostics, and public opinion shall settle down in the way which he desires; and if it be determined here that the public money is to be placed at the disposal of the Executive, with absolute power over the whole subject of its custody and guardianship; and that the general currency is to be left to the control of banks created by twenty-four States; then, I say, that in my judgment, one strong bond of our social and political Union is severed, and one great pillar of our prosperity is broken and prostrate.

Mr. TALLMADGE, of New York, spoke in reply to Mr. WEBSTER, and denied the constitutional power of Congress to create a bank, although he maintained the power of the Secretary to make use of the State banks.

The subject being resumed the next day, January 31—

Mr. WEBSTER said: It is not to be denied, sir, that the financial affairs of the country have come, at last, to such a state, that every man can see plainly the question which is presented for the decision of Congress. We have, unquestionably, before us, now, the views of the Executive, as to the nature and extent of the evils alleged to exist; and its notions, also, as to the

proper remedy for such evils. That remedy is short. It is, simply, the system of administration already adopted by the Secretary of the Treasury, and which is nothing but this—that whenever he shall think proper to remove the public moneys from the Bank of the United States, and place them wherever else he pleases, this act shall stand as the settled policy and system of the country; and this system shall rest upon the authority of the Executive alone. This is now to be our future policy, as I understand the grave significant import of the remarks made yesterday by the gentlemen from New York, and as I perceive they are generally understood, and as they are evidently understood by the gentleman from Mississippi, [Mr. POINDEXTER,] who has alluded to them on presenting his resolutions this morning. I wish, sir, to take this, the earliest opportunity, of stating my opinions upon this subject; and that opinion is, that the remedy proposed by the administration for the evils under which the country is at this time suffering, cannot bring relief, will not give satisfaction, and cannot be acquiesced in. I think the country, on the other hand, will show much dissatisfaction; and that, from no motive of hostility to the Government, from no disposition to make the currency of the country turn upon political events, or to make political events turn upon the question of the currency; but simply because, in my judgment, the system is radically defective—totally insufficient—carrying with it little confidence of the public, and none at all more than it acquires merely by the influence of the name which recommends it.

I do not intend now, Mr. President, to go into a regular and formal argument to prove the constitutional power of Congress to establish a national bank. That question has been argued a hundred times, and always settled the same way. The whole history of the country, for almost forty years, proves that such a power has been believed to exist. All previous Congresses, or nearly all, have admitted or sanctioned it; the judicial tribunals, Federal and State, have sanctioned it. The Supreme Court of the United States has declared the constitutionality of the present Bank, after the most solemn argument, without a dissenting voice on the bench.

Every successive President has, tacitly or expressly, admitted the power. The present President has done this; he has informed Congress that he could furnish the plan of a bank which should conform to the constitution. In objecting to the recharter of the present Bank, he objected for particular reasons; and he has said that a Bank of the United States would be useful and convenient for the people.

All this authority, I think, ought to settle the question. Both the members from New York, however, are still unsatisfied; they both deny the power of Congress to establish a bank. Now, sir, I shall not argue the question at this time; but I will repeat what I said yesterday. It does appear to me, that the late measures of the administration prove, incontestably, and by a very short course of reasoning, the constitutionality of a bank. What I said yesterday, and what I say to day, is, that since the Secretary, and all who agree with the Secretary, admit the necessity of the agency of *some* bank to carry on the affairs of Government, I was at a loss to see where they could find power to use a State bank, and yet find no power to create a Bank of the United States. The gentleman's perception may be sharp enough to see a distinction between these two cases, but it is too minute for my grasp. It is not said, in terms, in the constitution, that Congress may create a bank; nor is it said, in terms, that Congress may use a bank created by a State. How, then, does it get authority to do either? No otherwise, certainly, than

that it possesses power to pass all laws necessary and proper for carrying its enumerated powers into effect. If a law were now before us for confirming the arrangement of the Secretary, and adopting twenty State banks into the service of the United States, as fiscal agents of the Government, where would the honorable gentleman find authority for passing such a law? No where but in that clause of the constitution to which I have referred; that is to say, the clause which authorizes Congress to pass all laws necessary and proper for carrying its granted powers into effect. If such a law were before us, and the honorable member proposed to vote for it, he would be obliged to prove that the agency of a bank is a thing both necessary and proper for carrying on the Government. If he could not make this out, the law would be unconstitutional. We see the Secretary admits the necessity of this bank agency; the gentleman himself admits it—nay, contends for it. A bank agency is his main reliance. All the hopes expressed by himself or his colleague, of being able to get on with the present state of things, rest on the expected efficiency of a bank agency.

A bank, then, or some bank, being admitted to be both necessary and proper for carrying on the Government, and the Secretary proposing, on that very ground, and no other, to employ the State banks, how does he make out a distinction between passing a law for using a necessary agent, already created, and a law for creating a similar agent, to be used, when created, for the same purpose? If there be any distinction, as it seems to me, it is rather in favor of creating a bank by the authority of Congress, with such powers, and no others, as the service expected from it requires, answerable to Congress, and always under the control of Congress, than of employing as our agents banks created by other Governments, for other purposes, and over which this Government has no control.

But, sir, whichever power is exercised, both spring from the same source; and the power to establish a bank, on the ground that its agency is necessary and proper for the ends and uses of Government, is at least as plainly constitutional as the power to adopt banks for the same uses and objects, which are already made by other Governments. Indeed, the legal act is, in both cases, the same. When Congress makes a bank, it creates an agency; when it adopts a State bank, it creates an agency. If there be power for one, therefore, there is power for the other.

The honorable member, sir, quoted me as having said that I regarded the Bank as one of the greatest bonds of the union of the States. That is not exactly what I said. What I did say was, that the constitutional power vested in Congress over the legal currency of the country was one of its very highest powers, and that the exercise of this high power was one of the strongest bonds of the union of the States. And this I say still. Sir, the gentleman did not go to the constitution. He did not tell us how he understands it, or how he proposes to execute the great trust which it devolves on Congress, in respect to the circulating medium. I can only say, sir, how I understand it.

The constitution declares that Congress shall have power “to coin money, regulate the value thereof, and of foreign coin.” And it also declares that “no State shall coin money, emit bills of credit, or make any thing but gold and silver coin a tender in payment of debts.” Congress, then, and Congress only, can coin money, and regulate the value thereof. Now, sir, I take it to be a truth, which has grown into an admitted maxim with all the best writers, and the best informed public men, that those whose duty it is to pro-

protect the community against the evils of a debased coin, are bound also to protect it against the still greater evils of excessive issues of paper.

If the public require protection, says Mr. Ricardo, against bad money, which might be imposed on them by an undue mixture of alloy, how much more necessary is such protection, when paper money forms almost the whole of the circulating medium of the country.

It is not to be doubted, sir, that the constitution intended that Congress should exercise a regulating power—a power both necessary and salutary, over that which should constitute the actual money of the country, whether that money were coin, or the representative of coin. So it has always been considered—so Mr. Madison considered it, as may be seen in his message, December, 1816. He there says:

“Upon this general view of the subject, it is obvious that there is only  
“wanting to the fiscal prosperity of the Government the restoration of a  
“uniform medium of exchange. The resources and the faith of the nation,  
“displayed in the system which Congress has established, insure respect and  
“confidence both at home and abroad. The local accumulations of the re-  
“venue have already enabled the Treasury to meet the public engagements  
“in the local currency of most of the States; and it is expected that the same  
“cause will produce the same effect throughout the Union. *But for the*  
“*interests of the community at large, as well as for the purposes of the Treas-*  
“*ury, it is essential that the nation should possess a currency of equal value,*  
“*credit, and use, wherever it may circulate. The constitution has intrusted*  
“*Congress exclusively with the power of creating and regulating a currency*  
“*of that description; and the measures which were taken during the last*  
“*session, in execution of the power, give every promise of success. The Bank*  
“*of the United States has been organized under auspices the most favorable,*  
“*and cannot fail to be an important auxiliary to those measures.*”

The State banks put forth paper as representing coin. As such representative, it obtains circulation—it becomes the money of the country—but its amount depends on the will of four hundred different State banks, each acting on its own discretion; and in the absence of every thing preventive or corrective, on the part of the United States, what security is there against excessive issues, and, consequently, against depreciation? The public feels that there is no security against these evils—it has learned this from experience; and this very feeling, this distrust of the paper of State banks, is the very evil which they themselves have to encounter; and it is a very serious evil. They know that confidence in them is far greater when there exists a power elsewhere to prevent excess and depreciation. Such a power, therefore, is friendly to their best interests. It gives confidence and credit to them, one and all. Hence a vast majority of the State banks—nearly all, perhaps, except those who expect to be objects of particular favor—desire the continuance of a national bank, as an institution highly useful to themselves.

The mode in which the operations of a national institution afford security against excessive issues by local banks is not violent, coercive, or injurious. On the contrary, it is gentle, salutary, and friendly. The result is brought about by the natural and easy operation of things. The money of the Bank of the United States, having a more wide-spread credit and character, is constantly wanted for purposes of remittance. It is purchased, therefore, for this purpose, and paid for in the bills of local banks; and it may be purchased, of course, at par, or near it, if these local bills are offered in the

neighborhood of their own banks, and these banks are in good credit. These local bills then return to the bank that issued them. The result is, that while the local bills will or may supply, in great part, the local circulation, (not being capable, for want of more extended credit, of being remitted to great distances,) their amount is thus limited to the purposes of local circulation; and any considerable excess, beyond this, finds in due season a salutary corrective.

This is one of the known benefits of the Bank. Every man of business understands it, and the whole country has realized the security which this course of things has produced.

But, sir, as to the question of the deposits, the honorable gentleman thinks he sees, at last, the curtain raised—he sees the object of the whole debate. He insists that the question of the restoration of the deposits, and the question of rechartering the Bank, are the same question. It strikes me, sir, as being strange, that the gentleman did not draw an exactly opposite inference from his own premises. He says he sees the Northern friends of the Bank, and the Southern opposers of the Bank, agreeing for the restoration of the deposits. This is true; and does not this prove that the question is a separate one? On the one question, the North and the South are together; on the other, they separate: either their apprehensions are obtuse, or else this very statement shows the question to be distinct.

Sir, since the gentleman has referred to the North and the South, I will venture to ask him if he sees nothing important in the aspect which the South presents? On this question of the deposits, does he not behold almost an entire unanimity in the South? How many, from the Potomac to the Gulf of Mexico, defend the removal? For myself, I declare that I have not heard a member of Congress from beyond the Potomac say, either in or out of his seat, that he approved the measure. Can the gentleman see nothing in this but proof that the deposite question and the question of recharter are the same? Sir, gentlemen must judge for themselves; but it appears plain enough to me, that the President has lost more friends at the South by this interference with the public deposits, than by any or all other measures.

I must be allowed now, sir, to advert to a remark, in the speech of the honorable member from New York, on the left of the chair, [Mr. WRIGHT,] as I find it in a morning paper. It is this:

“Be assured, sir, whatever nice distinctions may be drawn here as to the “show of influence which expressions of the popular will upon such a “subject are entitled to from us, it is possible for that will to assume a constitutional shape, which the Senate cannot misunderstand, and, understanding, will not unwisely resist.”

[Mr. WRIGHT said, it should have been *share* of influence.]

Mr. WEBSTER continued. That does not alter the sense. Mr. President, I wish to keep the avenues of public opinion, from the whole country to the Capitol, all open, broad and wide. I desire always to know the state of that opinion, on great and important subjects. From me, that opinion always has received, and always will receive, the most respectful attention and consideration. And whether it be expressed by State Legislatures, or by public meetings, or be collected from individual expressions, in whatever form it comes, it is always welcome. But, sir, the legislation for the United States must be conducted here. The law of Congress must be the will of Congress, and the proceedings of Congress its own proceedings.

I hope nothing intimidating was intended by this expression. [Mr. WRIGHT intimated it was not.] Then, sir, I forbear further remark.

Sir, there is one other subject on which I wish to raise my voice. There is a topic, which I perceive is become the general war cry of party, on which I take the liberty to warn the country against delusion. Sir, the cry is to be raised, that this is a question between the poor and the rich. I know, sir, it has been proclaimed that one thing was certain—that there was always a hatred from the poor to the rich; and that this hatred would support the late measures, and the putting down of the Bank. Sir, I will not be silent at the threatening of such a detestable fraud on public opinion. If but one man, or ten men, in the nation will hear my voice, I would still warn them against this attempted imposition.

Mr. President, this is an eventful moment. On the great questions which occupy us, we all look for some decisive movement of public opinion. As I wish that movement to be free, intelligent, and unbiassed—the true manifestation of the public will—I desire to prepare the country for another assault, which I perceive is about to be made on popular prejudice—another attempt to obscure all distinct views of the public good—to overwhelm all patriotism, and all enlightened self-interest, by loud cries against false danger, and by exciting the passions of one class against another. I am not mistaken in the omen—I see the magazine whence the weapons of this warfare are to be drawn. I already hear the din of the hammering of arms, preparatory to the combat. They may be such arms, perhaps, as reason, and justice, and honest patriotism cannot resist. Every effort at resistance, it is possible, may be feeble and powerless; but, for one, I shall make an effort—an effort to be begun now, and to be carried on and continued, with untiring zeal, till the end of the contest comes.

Sir, I see in those vehicles which carry to the people sentiments from high places, plain declarations that the present controversy is but a strife between one part of the community and another. I hear it boasted as the unfailing security, the solid ground, never to be shaken, on which recent measures rest, *that the poor naturally hate the rich*. I know, that under the shade of the roofs of the Capitol, within the last twenty-four hours—among men sent here to devise means for the public safety and the public good—it has been vaunted forth, as matter of boast and triumph, that one cause existed, powerful enough to support every thing, and to defend every thing, and that was—*the natural hatred of the poor to the rich*.

Sir, I pronounce the author of such sentiments to be guilty of attempting a detestable fraud on the community; a double fraud; a fraud which is to cheat men out of their property, and out of the earnings of their labor, by first cheating them out of their understandings.

“*The natural hatred of the poor to the rich!*” Sir, it shall not be till the last moment of my existence—it shall be only when I am drawn to the verge of oblivion—when I shall cease to have respect or affection for any thing on earth—that I will believe the people of the United States capable of being effectually deluded, cajoled, and *driven about in herds*, by such abominable frauds as this. If they shall sink to that point—if they so far cease to be men—thinking men, intelligent men—as to yield to such pretences and such clamor, they will be slaves already; slaves to their own passions—slaves to the fraud and knavery of pretended friends. They will deserve to be blotted out of all the records of freedom; they ought not to dishonor the cause of self-government, by attempting any longer to exercise it; they ought

to keep their unworthy hands entirely off from the cause of republican liberty, if they are capable of being the victims of artifices so shallow—of tricks so stale, so threadbare, so often practised, so much worn out on serfs and slaves.

“*The natural hatred of the poor against the rich!*” “The danger of a moneyed aristocracy!” “A power as great and dangerous as that resisted by the Revolution!” “A call to a new Declaration of Independence!”

Sir, I admonish the people against the objects of outcries like these. I admonish every industrious laborer in the country to be on his guard against such delusion. I tell him the attempt is to play off his passions against his interests, and to prevail on him, in the name of liberty, to destroy all the fruits of liberty; in the name of patriotism, to injure and afflict his country; and, in the name of his own independence, to destroy that very independence, and make him a beggar and a slave. Has he a dollar? He is advised to do that which will destroy half its value. Has he hands to labor? Let him rather fold them and sit still, than be pushed on, by fraud and artifice, to support measures which will render his labor useless and hopeless.

Sir, the very man, of all others, who has the deepest interest in a sound currency, and who suffers most by mischievous legislation in money matters, is the man who earns his daily bread by his daily toil. A depreciated currency—sudden change of prices—paper money, falling between morning and noon, and falling still lower between noon and night—these things constitute the very harvest-time of speculators, and of the whole race of those who are at once idle and crafty; and of that other race, too, the Catalines of all times, marked, so as to be known forever by one stroke of the historian’s pen—*men greedy of other men’s property, and prodigal of their own*. Capitalists, too, may outlive such times. They may either prey on the earnings of labor, by their *cent per cent.*, or they may hoard. But the laboring man—what can he hoard? Preying on nobody, he becomes the prey of all. His property is in his hands. His reliance, his fund, his productive freehold, his all, is his labor. Whether he work on his own small capital, or on another’s, his living is still earned by his industry; and when the money of the country becomes depreciated and debased, whether it be adulterated coin or paper without credit, that industry is robbed of its reward. He then labors for a country whose laws cheat him out of his bread. I would say to every owner of every quarter section of land in the West—I would say to every man in the East, who follows his own plough, and to every mechanic, artisan, and laborer, in every city in the country—I would say to every man, every where, who wishes, by honest means, to gain an honest living, “Beware of wolves in sheep’s clothing. Whoever attempts, under whatever popular cry, to shake the stability of the public currency, bring on distress in money matters, and drive the country into paper money, stabs your interest and your happiness to the heart.”

The herd of hungry wolves, who live on other men’s earnings, will rejoice in such a state of things. A system which absorbs into their pockets the fruits of other men’s industry, is the very system for them. A Government that produces or countenances uncertainty, fluctuations, violent risings and fallings in prices, and, finally, paper money, is a Government exactly after their own heart. Hence, these men are always for change. They will never let well enough alone. A condition of public affairs, in which property is safe, industry certain of its reward, and every man secure in his own hard-earned gains, is no paradise for them. Give them just the reverse of this state of



things: bring on change, and change after change; let it not be known to-day what will be the value of property to-morrow; let no man be able to say whether the money in his pockets at night will be money or worthless rags in the morning; and depress labor till double work shall earn but half a living—give them this state of things, and you give them the consummation of their earthly bliss.

Sir, the great interest of this great country, the producing cause of all its prosperity, is labor! labor! labor! We are a laboring community. A vast majority of us all live by industry and actual occupation, in some of their forms.

The constitution was made to protect this industry, to give it both encouragement and security; but, above all, security. To that very end, with that precise object in view, power was given to Congress over the currency, and over the money system of the country. In forty years' experience, we have found nothing at all adequate to the beneficial execution of this trust but a well-conducted national bank. That has been tried, returned to, tried again, and always found successful. If it be not the proper thing for us, let it be soberly argued against; let something better be proposed; let the country examine the matter coolly, and decide for itself. But whoever shall attempt to carry a question of this kind by clamor, and violence, and prejudice; whoever would rouse the people by appeals, false and fraudulent appeals, to their love of independence, to resist the establishment of a useful institution because it is a bank, and deals in money; and who artfully urges these appeals wherever he thinks there is more of honest feeling than of enlightened judgment, means nothing but deception. And whoever has the wickedness to conceive, and the hardihood to avow, a purpose to break down what has been found, in forty years' experience, essential to the protection of all interests, by arraying one class against another, and by acting on such a principle as *that the poor always hate the rich*, shows himself the reckless enemy of all. An enemy to his whole country, to all classes, and to every man in it, he deserves to be marked especially *as the poor man's curse!*

Mr. President, I feel that it becomes me to bring to the present crisis all of intellect, all of diligence, all of devotion to the public good, that I possess. I act, sir, in opposition to nobody. I desire rather to follow the administration, in a proper remedy for the present distress, than to lead. I have felt so from the beginning, and I have felt so until the declaration of yesterday made it certain that there is no further measure to be proposed. The expectation is, that the country will get on under the present state of things. Being myself entirely of a different opinion, and looking for no effectual relief until some other measure is adopted, I shall, nevertheless, be most happy to be disappointed. But if I shall not be mistaken, if the pressure shall continue, and if the indications of general public sentiment shall point in that direction, I shall feel it my duty, let the consequences be what they may, to propose a law for *altering and continuing the charter of the Bank of the United States.*

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